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SUMMARY RECORD OF THE 22nd MEETING

Chairman: Mr. MONGBE (Benin)

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The meeting was called to order at 3.10 p.m.

AGENDA ITEM 95: INTERNATIONAL COOPERATION FOR ECONOMIC GROWTH AND DEVELOPMENT (continued) (A/48/94, A/48/182-S/26108, A/48/272, A/48/291-S/26242, A/48/309, A/48/338, A/48/353-S/26372, A/48/359, A/48/445-S/26501, A/48/484-S/26552, A/C.2/48/4)

(a) IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued) (A/48/505)

(b) IMPLEMENTATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued)

1. Mr. HONG Je Ryong (Democratic People's Republic of Korea) noted that, regrettably, the past three years had brought no substantial progress in the implementation of the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade. If anything, poverty in the developing countries had increased. The lack of progress was due chiefly to the lukewarm political will of the developed countries and their insistence on maintaining inequitable international economic relations. The United Nations should carry out a detailed review of the implementation of the Strategy and the Declaration. Implementation of the recommendations in those instruments could be expedited by the expansion and promotion of South-South cooperation.

2. In an effort to promote multilateral economic cooperation at the regional and international levels, the Democratic People's Republic of Korea had established a free economic and trade zone in the area of Rajin-Sonbong in River Tuman Triangle, on its borders with China and Russia. It had also adopted a number of foreign exchange, tax and other laws designed to provide legal guarantees to foreign investors. It wished to express its gratitude to the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD) and other organs of the United Nations system for their cooperation and hoped that they would continue to assist in the development of the Rajin-Sonbong area.

3. Mr. NAADJIE (Ghana) said that his delegation fully supported the statement delivered by the Colombian representative on behalf of the Group of 77 and the People's Republic of China. He noted that the adoption of the Declaration and the Strategy in 1990 had appeared to signal increased political will on the part of the international community to the objective of eradicating poverty. Under the Declaration, developed and developing countries alike were called upon to take specific measures to accelerate development in the developing countries and bring about their reintegration into the mainstream of the global economy.

4. Since that time, however, the world economic picture had been one of recession, sluggishness and growing unemployment in the industrialized countries and frustration in the developing countries. Since the latter had repeatedly

(Mr. Naadjie, Ghana)

affirmed their primary responsibility for their own economic development, they should perhaps contemplate bold initiatives to deal with the problems attributable to the existing international economic order.

5. Trade, finance, technology and sustainable development had been identified as key areas in which action must be taken in order to enhance international cooperation for development. However, while the need for such cooperation had come to be recognized, measures taken to strengthen it were often disjointed or uneven. In the context of interdependence, the United Nations should promote dialogue on development, take remedial measures and assume a leadership role in the development efforts. His delegation would give a fuller presentation of its views on development issues when the Committee discussed an agenda for development.

6. Mr. LWIN (Myanmar) said that, in a highly interdependent world, unemployment and social problems in the developed economies and difficulties in the economies in transition were of concern to the developing world as well. His delegation wholeheartedly supported the views expressed by the Colombian representative on behalf of the Group of 77 and the People's Republic of China particularly with regard to the shared commitments undertaken by the developed and the developing countries on adopting the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Decade. It was discouraging to note that the developing countries, having implemented structural adjustment at great political and social cost, still faced tremendous problems because the developed countries had failed to honour their commitments.

7. In Myanmar, stabilization and structural adjustment programmes had been introduced in the mid-1980s; the country had shifted from a centrally planned economy to one oriented towards the market, and economic reform measures were being implemented jointly by Government, cooperatives and private enterprise. While such measures had been reasonably successful, Myanmar looked forward to a more favourable global economic environment and to the implementation by the developed countries of their commitments under the Declaration and the Strategy. It also looked forward to the successful outcome of the Uruguay Round of multilateral trade negotiations. In conclusion, his delegation believed that an agenda for peace must be complemented by an agenda for development.

8. Mr. GUERRERO (Philippines) said that lack of political will remained the chief obstacle standing in the way of implementation of the Declaration and the Strategy. While it had been proved many times that authoritarian rule was not conducive to growth, enjoyment of fundamental democratic freedoms was not, in itself, a guarantee of growth. In fact, in the Philippines, the restoration of democracy had actually made it more difficult to implement the Strategy.

9. His country was implementing measures to ensure sustainable development and to cushion the effects of structural adjustment even though the adverse external environment - the terms imposed by creditors for much-needed funds, the continued deterioration of commodity prices, the lack of access to the markets of developed countries - had made some Filipinos wonder whether their country was being penalized for its attachment to the democratic system. None the less,

(Mr. Guerrero, Philippines)

it was pursuing its efforts to reduce its trade deficit, repay its debt and liberalize its economy. The Philippines was grateful that the International Development Strategy afforded protection for poorer countries which might otherwise be forced to accede to the terms of the foreign investors they sought to attract. Developed nations must therefore match the political will shown by the developing countries in undertaking reform or all would be for naught. An agenda for development - if perceived as necessary for an agenda for peace - could help to muster that will.

10. Mr. HORIN (Ukraine) said that each country was responsible, in the light of its particular circumstances, for its own economic development policies and for the welfare of its citizens. The successful economic and social transformation of the transition economies could not be achieved without the assistance of the international community. Those countries should be integrated into the world economy through the creation of an open and equitable trading system. Intensification of scientific and technical cooperation and removal of all obstacles to the transfer of advanced technology would have a beneficial impact on global economic growth and development. Investment, in the broadest sense of the word, in the countries in economic transition would pay rapid and significant political and economic dividends.

11. Ukraine aspired to economic and political integration in the Western European region, while at the same time maintaining and enhancing its links with the Commonwealth of Independent States (CIS). Such mutually beneficial interdependence would guarantee Ukraine's economic independence.

12. In conclusion, his delegation was disappointed at the narrow focus adopted in the report of the Secretary-General (A/48/505); perhaps the Committee's discussion of the item would help to make up for that shortcoming.

13. Mr. SWETJA (Indonesia) associated his delegation with the statement of the Group of 77, pointing out that three years after the adoption of the Strategy and the Declaration, the gap between the developed and the developing countries continued to widen, and the main macroeconomic issues had yet to be resolved. While that was in part attributable to such unforeseen factors as the Gulf war, the problems of the economies in transition and the prolonged recession in the developed countries, efforts to strengthen international cooperation for growth and development should be redoubled.

14. The developing countries, for their part, had undertaken far-reaching reforms and structural adjustment programmes aimed at enabling their economies to participate effectively in the global economy. Over the past 25 years, Indonesia had adopted various stabilization programmes and fiscal, monetary and financial reform measures and had encouraged deregulation of foreign trade, the rollback of non-tariff barriers and tariff reforms.

15. Indonesia was committed to regional cooperation and integration, as reflected in the establishment of the Association of South-East Asian Nations Free Trade Area, which had come into effect in January 1993. It had also agreed to hasten the implementation of the Common Effective Preferential Tariff Scheme and was making efforts for the joint promotion of direct foreign investment.

(Mr. Swetja, Indonesia)

16. However, without a favourable external economic environment, progress would be hampered not only in the developing countries, but in the world at large. Multilateral cooperation for development must therefore be strengthened through constructive dialogue based on mutual interest and benefits and equitably shared responsibilities. An agenda for development should serve to strengthen and foster the concept of development and to facilitate the implementation of the Strategy and Declaration.

17. Mr. SY (Organization of African Unity) said that despite many United Nations activities to promote development in the developing countries and the various new reform and structural adjustment programmes adopted by the developing countries, the economic situation of many such countries had not improved. Indeed, in many countries, urban and rural poverty had increased. Renewed efforts should therefore be made to implement the Declaration and other multilateral agreements, and adequate support should be given to priority areas in order to energize economic growth and development in the developing countries.

18. Regional economic integration was essential for the promotion of economic growth and development in Africa. Each region had at least one regional economic grouping, supported by OAU and the Economic Commission for Africa (ECA), which sought to promote trade, industry, agriculture and technical and cultural cooperation. The African Economic Community (AEC) endeavoured to harmonize the strategies of such groupings in order to ensure sustained economic growth, which nevertheless depended on adequate external financial support. UNDP had been very supportive of the regional economic groupings in Africa and AEC. OAU urged the United Nations to intensify its technical and financial assistance in order to enable such groupings to promote economic growth and development in Africa effectively.

19. It was essential to revitalize the external sector of other developing countries. The collapse of commodity prices had eroded development efforts. There was therefore a need to review the UNCTAD initiatives, the Integrated Programme for Commodities and the Common Fund. Existing international commodity agreements and arrangements should be improved, and new ones established. Financing facilities should be provided to compensate for shortfalls in the export earnings of developing countries. Furthermore, the international community should help African and other developing countries to improve local processing, marketing, distribution and transport of commodities. He urged the developed countries to remove tariff and non-tariff barriers and to abolish subsidies which hindered the import of commodities from the developing countries.

20. Finally, the external debt of African countries was seriously undermining efforts to revitalize their economies. The increased assistance provided by international financial institutions had brought its own problems. The debt owed to such institutions accounted for some 28 per cent of the region's debt stock but consumed some 45 per cent of total debt-service payments. Under current regulations, that additional debt could not be rescheduled, thus, multilateral debt had not been affected by recent debt cancellation and rescheduling measures. He called for the strengthening of International

(Mr. Sy, OAU)

Monetary Fund (IMF) assistance and the conversion of the debt of African and other developing countries into long-term financial assistance with high concessional elements. He also urged the World Bank to reschedule structural adjustment loans and adopt a Paris Club-type package of measures for the low income developing countries. External debt relief was essential if efforts to revitalize economic growth and development in Africa were to succeed. OAU was endeavouring to create a political environment that was more conducive to development and growth. Cooperation between the United Nations and OAU should be strengthened in the context of the Secretary-General's Agenda for Peace. An agenda for development should be rapidly agreed upon to complement current measures aimed at improving peace and security.

The meeting rose at 4.20 p.m.